

# Third Year Evaluation of Riverboat Licensee for Harrison County, Indiana: Caesars Indiana January-December 2001

## **MARCH 2002**

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## **INTRODUCTION**

The Riverboat Gambling Act, effective July 1, 1993, authorized the Indiana Gaming Commission to issue licenses for the express purpose of riverboat gambling in the state of Indiana. One of the statutory criteria for issuance of these licenses is the applicant's ability to promote economic development in the home dock area while best serving the interest of the citizens of Indiana. As an aid to fulfilling its legislative requirements, the Indiana Gaming Commission (Commission) contracted with the Center for Urban Policy and the Environment (Center) of Indiana University's School of Public and Environmental Affairs to perform the economic impact, fiscal impact, financial, management, and other analyses required to assist the Commission in awarding licenses. As part of that contract, the Center has committed to monitor over time the economic impacts and fiscal returns from each riverboat operation.

On May 20, 1996, the Commission issued a Certificate of Suitability for a Riverboat Owner's License for a riverboat to be docked in Harrison County, Indiana. Caesars Indiana (Caesars) formerly known as RDI/Caesars Riverboat Casino, LLC opened on November 20, 1998. This report is an evaluation of its third year of operation.

## PROJECT DEVELOPMENT AND INVESTMENT

### DEVELOPMENT ACTIVITIES

In the Certificate of Suitability (referred to hereinafter as Certificate), Caesars committed to spend approximately \$228.2 million on project development, in addition to pledging to Harrison County other incentives totaling millions of dollars. As Table 1 illustrates, through December 2001, it had spent \$426.4 million, over \$198 million more than projected.

The 5,000-passenger riverboat opened with 93,000 square feet of gaming space. A 170,000 square-foot permanent pavilion and a 1,650-space parking garage have been completed. The people mover and buffet opened in December 1999. The gift shop and coffee shop opened in January and April 2000, respectively. The porte cochere (front entrance) opened in February 2000. A high-end restaurant opened in July 2000 and a dining and entertainment venue opened in September 2000. Caesars has spent more than \$11 million on an archaeological dig on its property. The presence of the dig delayed construction on the 500-room hotel. It was scheduled to begin construction immediately after substantial completion of the guest pavilion, but opened in September 2001. Caesar's also completed a 3,000-space parking garage in 2001. Construction of the golf course is scheduled to be completed by the fall of 2002.

Table 1: Actual Versus Predicted Development Costs

Development	Certificate of Suitability	Actual thru 12/99	Actual 2000	Actual 2001	Difference
Land	\$20,000,000	\$20,697,056	\$23,125	\$1,341,675	\$2,061,856
Site improvement	\$9,284,000	\$19,512,024	\$2,197,620	\$2,484,989	\$14,910,633
Temporary facilities, parking, transportation	\$23,680,000	\$19,319,746	\$33,064	\$22,866,487	\$18,539,297
Construction: support facilities	\$40,425,000	\$45,137,215 <sup>1</sup>	\$19,254,115	\$2,743,564	\$26,709,894
Construction: boat and marine facilities	\$49,416,000	\$87,753,558	\$4,597,714	\$1,113,066	\$44,048,338
Furniture, fixtures, and equipment	\$31,100,000	\$43,811,047	\$0	\$183,968	\$12,895,015
Hotel, furniture and fixtures	\$35,950,000	\$1,325,825	\$15,936,390	\$31,868,096	\$13,180,311
Tennis and golf complex	\$7,000,000	\$4,451	\$0	\$6,606,366	(\$389,183)
Pre-opening expenses	\$5,000,000	\$21,085,275	\$424,344	\$361,153	\$16,870,772
Working capital	\$2,000,000	\$0	\$0	\$0	(\$2,000,000)
Financing and related expenses	\$4,303,000	\$42,676,168	\$6,378,405	\$6,613,819	\$51,365,392
<b>Total development</b>	<b>\$228,158,000</b>	<b>\$301,322,365</b>	<b>\$48,846,777</b>	<b>\$76,183,183</b>	<b>\$198,192,325</b>

<sup>1</sup>Includes \$5 million to Harrison County Foundation

**OTHER COMMITMENTS**

As Table 2 illustrates, Caesars is current with regard to all of its additional commitments.

Table 2: Schedule and Description of Incentive Payments

Incentive	Promised Amount	Recipient	Amount Paid Through 12/99	Amount Paid 2000	Amount Paid 2001	Status
A) Co ntribution	\$5,000,000	Harrison County Community Foundation	\$5,000,000			Completed Year 1
B) Co ntribution	1.5% \$0-100,000,000 AGR 2.25% \$100,000,001- \$150,00,00 AGR 3.75% \$150,001- \$200,000,000 AGR 7.5% Annual AGR over \$200,000,001	Harrison County Community Foundation	\$1,660,441	\$3,921,655	\$5,592,117	Ongoing
C) Co ntribution	.5% \$0-100,000,000 AGR .75% \$100,000,001- \$150,00,00 AGR 1.25% \$150,001- \$200,000,000 AGR 2.5% Annual AGR over \$200,000,001	Floyd County Foundation (now Caesars Riverboat Casino Foundation)	\$553,480	\$1,307,218	\$1,864,039	Ongoing
D) Ad vance to the county	\$1,750,000	Harrison County	\$1,750,000 <sup>2</sup>			
E) Ro ad improvements	Not specified	NA	\$6,403,365		(974,768) <sup>3</sup>	Completed Year 1
F)Contributi ons to utilities	\$2,640,000	Elizabeth Water Co.	\$0	\$1,050,276	\$2,270,879	Ongoing
G) E mergency response requireme nts	Not specified	Fire, Police, Ambulance	\$540,588			Completed Year 1
H) Co unty legal fees	\$250,000	Harrison County	\$211,228			Completed Year 1

<sup>2</sup>This advance was taken against the first funds due to the Harrison County Foundation.

<sup>3</sup> Total cost for road improvements were less than estimated causing INDOT to issue Caesars a refund.

The Certificate called for Caesars to make contingent contributions to the Harrison and Floyd County Foundations in the amounts described above. The Floyd County Foundation has been established and is known as Caesars Riverboat Casino Foundation, Inc. The county and Caesars have amended the development agreement to allow the portion that was originally allocated to a newly created Harrison County Foundation to be given to the previously established Harrison County Community

Foundation. This will save administrative costs and allow for more efficient use of resources.

As listed above, Caesars provided a \$5 million incentive to the Harrison County Community Foundation as well as continuing funding. Table 3 lists the \$1,112,936 in grants that were awarded by the foundation from those funds in 2001. Table 4 lists the \$474,189 in grants that were awarded by the Caesars Riverboat Casino Foundation, Inc.

Table 3: Harrison County Community Foundation 2001 Grants

Organization	Purpose	Amount
Harrison County High School	Scholarships	\$150,000
YMCA	Founders Campaign	\$300,000
Main Street	Light Up Corydon	\$1,500
Bellarmine University	Matching scholarships for Harrison County students	\$9,000
Blue River Services, Inc.	Delivery truck	\$15,000
Boy Scout Troop #22 (Corydon)	Equipment for troop	\$3,800
D.A.R.E. of Harrison County	Computer and fair funds	\$5,500
Elizabeth Volunteer Fire Department	Property for fire department	\$50,000
Green Thumb	Personnel and benefits	\$6,300
Habitat for Humanity	Membership fee assistance	\$1,000
Harrison County Chaplain's Association	Assistance Program	\$5,000
Harrison County Sheriff's Association	Equipment purchase	\$17,200
Harrison County 4-H	Trip to Washington, D.C.	\$3,000
Harrison County Agricultural Society	Challenge grant for remodeling of fairground restrooms	\$22,500
Harrison County Community Services	General operating budget	\$30,000
Harrison County Hospital	Colposopic equipment	\$10,350
Harrison County SOS	YMCA architectural rendering and community outreach campaign	\$8,750
House of New Beginnings, Inc	Assistance in securing real estate for halfway house	\$5,000
Junior Achievement	Purchase program materials and supplies	\$3,000
Lanesville School Corporation	Distance Learning/Indiana College Connection	\$10,000
Lanesville School Library	Promotional reading materials	\$2,400
Lanesville Youth Baseball & Softball	Remodel/build concession stand and restrooms	\$40,145
Leadership Harrison County	Training for non-profit board members	\$5,000
Legal Services Organization	Litigation expenses to Harrison County attorneys	\$5,500
LifeSpan	Matching funds for two vehicles for Harrison County Senior Citizens	\$6,998
Life Spring	Equipment, supplies, and swimming lessons	\$11,700
Milltown Municipal Water	Challenge grant for water line and fire hydrants	\$10,000
Our Place	Teen pregnancy prevention programs at North Harrison Schools	\$4,261
PACT	Domestic violence prevention programs	\$5,000
South Central Jr./Sr. High School	Video editing equipment	\$2,500
South Harrison Community Development Corporation	Purchase computer and conduct feasibility study	\$4,700
St. Joseph School	Satellite dish for high speed internet access	\$10,000
The Nature Conservancy	Conservation planning and mapping in Harrison County	\$12,600
Tindall School No. 3	Historical learning program and materials	\$12,000
Town of Lanesville	Concrete for sidewalk improvements	\$30,000
Indiana University Southeast/Ogle Center	Programming of general and children's arts events	\$10,000
Town of Crandall	Purchase and install new playground equipment at community building	\$5,000
The Center for Women and Families	Outreach support for residents of Harrison County	\$15,000
Blue River Housing/Blue River Services, Inc.	Down payment purchase assistance housing program	\$30,000
South Harrison Community School Corporation	Literature conference	\$7,000

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South Central Jr.-Sr. High School	Digital camera for yearbook staff	\$1,300
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Table 3: Harrison County Community Foundation 2001 Grants (continued)

Organization	Purpose	Amount
North Harrison Upper Elementary School	30 hand-held computers	\$6,660.
Junior Achievement of Kentuckiana	Economic Education and Career Skills Program	\$7,500
New Middletown Elementary School	Euphonium	\$1,199
Corydon Vanguard Ban Boosters	Uniforms, equipment, promotional materials	\$7,000
Lanesville Community School Corporation	Graphic design/photography equipment	\$17,725
North Harrison Elementary School	Matching funds for playground equipment	\$10,000
Harrison County Lifelong Learning Center	Literacy and adult learning programs	\$5,750
North Harrison Marching Band	Updating uniforms and marching props	\$7,000
Community Foundation of Southern Indiana	Youth Philanthropy Council for mini-grants	\$10,000
Furthering Youth, Inc./Gerdon Youth Center	General operating expenses	\$14,000
Harrison Education and Literacy Program (H.E.L.P.)	Computer and literacy training for inmates	\$18,775
Indiana Creek Trail, Inc.	Downtown Corydon walking trail engineering costs	\$7,500
American Red Cross-Buffalo Trace Service Center	Match to purchase a new disaster response team vehicle	\$12,000
South Harrison Community Development	Design phase of community building	\$30,000
Blue River Services, Inc.	Presentation equipment in The Harrison Center	\$7,500
Webster Township Recreation Club	Build concessions, dugouts, and restrooms	\$22,000
Harrison County Emergency Management	Purchase countywide warning siren systems	\$34,484
Harrison County Community Services, Inc.	Purchase or repair "Baby-Think-It-Over" dolls	\$5,839
<b>TOTAL</b>		<b>\$1,112,936</b>

Table 4: Caesars Riverboat Casino Foundation, Inc. 2001 Grants

Grant Award Recipients	Amount Awarded
Piankeshaw Chapter National Society Daughters of the American Revolution	\$16,225
New Albany-Floyd County Public Library	\$25,000
Greenville Township Vol. Fire Department	\$5,000
Hospice and Palliative Care of So. Indiana	\$17,250
Family Health Center of Floyd County	\$25,000
SCORE, Counselors to America's Small Businesses, Chapter 522	\$3,500
Floyd County Community Corrections Gangs Task Force	\$4,420
New Albany Township Little League	\$10,000
Friends of Division Street School	\$15,000
Floyd County Head Start	\$14,400
St. Elizabeth's Regional Maternity Center	\$8,120
Hazelwood Junior High	\$8,500
Arts Council of Southern Indiana	\$10,000
Ind. Legal Svcs. Pro Bono Judicial District 14	\$5,000
Junior Achievement	\$9,000
IUS Paul Ogle Cultural & Community Center	\$12,500
Our Place Drug & Alcohol Education Services	\$5,000
American Cancer Society	\$5,000
Raunch, Inc.	23,498
New Albany High School Band Program	\$7,500
VSA Arts Indiana Southeast	\$5,000
Slate Run Elementary School PTO	\$14,453

Table 4: Caesars Riverboat Casino Foundation, Inc. 2001 Grants (continued)

Grant Award Recipients	Amount Awarded
In Heaven's Eyes	\$10,700
Holy Family School	\$23,027
St. Mary of the Knobs Catholic School	\$10,250
American Red Cross-Buffalo Trace Services Center	\$12,500
Southern Indiana Botanical Society	\$12,000
Provident Retirement Home	\$21,330
Tri-Co Health Coalition	\$2,000
St. Mary's Catholic School	\$5,000
Carnegie Center for Art History	\$12,000
New Albany-Floyd Co. Dept of Parks & Recreation	\$25,000
Georgetown Township Volunteer Fire Department	\$10,000
Lafayette Township Volunteer Fire Department	\$10,000
Family and Children's Counseling Center	\$4,500
Floyd Co. Solid Waste Management District	\$15,850
Greenville Elementary PTO	\$4,200
Big Brothers Big Sisters	\$4,816
Floyd Co. Token Club	\$16,650
New Albany-Floyd Co. Habitat for Humanity	\$25,000
<b>TOTAL</b>	<b>\$474,189</b>

Table 5 details Harrison County's expenditures from the riverboat fund. Caesar's payments of the statutorily required admission tax and gaming tax to the County are deposited into this fund. The percentages next to each category indicate how much is appropriated to that category from the riverboat fund's total receipts. Each category currently has an unspent balance. In addition to the funds distributed from revenue sharing (18 percent of receipts) (detailed below in Table 6), the County also distributes 2 percent of the fund each year divided among the towns in Harrison County for infrastructure (These amounts are included in the infrastructure totals below), according to a formula based on population.

Table 5: Harrison County Expenditures from the Riverboat Fund

Category	1999	2000	2001
Infrastructure (35%)	\$3,687,209	\$5,261,738	\$6,207,639
Education (17%)	\$306,500	\$2,526,570	\$2,853,925
Human Services (10%)	\$307,078	\$1,357,472	\$2,495,653
Economic Development (5%)	\$350,000	\$403,008	\$372,700
Contingency (15%)	\$60,000	\$1,516,866	\$4,794,130
<b>TOTAL</b>	<b>\$4,710,787</b>	<b>\$11,065,654</b>	<b>\$16,724,047</b>

Harrison County shares 18 percent of its riverboat funds with three other counties (Crawford, Washington, and Floyd) and twelve local municipalities. Table 6 details the revenue sharing distributions.

Table 6: Harrison County's Revenue Sharing of Riverboat Revenue

	1999	2000	2001
Crawford County	\$1,152,596	\$1,449,066	\$1,681,013
Washington County	\$288,149	\$362,267	\$420,253
Floyd County	\$144,075	\$181,133	\$210,127
New Albany	\$432,224	\$543,400	\$630,380
Georgetown	\$144,075	\$181,133	\$210,127
Corydon	\$43,222	\$54,340	\$63,038
Crandall	\$43,222	\$54,340	\$63,038
Elizabeth	\$43,222	\$54,340	\$63,038
Laconia	\$43,222	\$54,340	\$63,038
Lanesville	\$43,222	\$54,340	\$63,038
Mauckport	\$43,222	\$54,340	\$63,038
Milltown	\$43,222	\$54,340	\$63,038
New Amsterdam	\$43,222	\$54,340	\$63,038
New Middletown	\$43,222	\$54,340	\$63,038
Palmyra	\$43,222	\$54,340	\$63,038
<b>TOTAL</b>	<b>\$2,593,339</b>	<b>\$3,260,399</b>	<b>\$3,782,280</b>

### COMMUNITY ACTIVITY

Caesars senior management is represented on many boards in the area, including Junior Achievement Board, Harrison County Chamber of Commerce, Harrison County Hospital Foundation Board, 100 Black Men of Louisville, Louisville Ballet, Kentucky Derby Festival, Harrison County Metro United Way, and Harrison County Workforce Investment Board. In addition, they serve on several state and national boards.

Caesars has contributed in-kind donations and monetary contributions to over 40 organizations, including September 11 Relief Fund, AIDS Services Center, Crusade for Children, Louisville Defender, March of Dimes, Kiwanis Club of Historic Harrison, and Harrison County Relay for Life. Caesars also sponsored several events including New Albany's Bluegrass Festival, Indiana Black Expo, Inc., Harvest Homecoming, and the Harrison County Fair.

### MINORITY/WOMEN BUSINESS ENTERPRISE

The Office of Minority Business Development and the Indiana Gaming Commission currently are reviewing the information provided by Caesars to determine compliance.

## ECONOMIC AND FISCAL IMPACTS

### EMPLOYMENT AND EARNINGS IMPACTS

Caesars began hiring and training the majority of its employees in May 1997. Caesars leased a building in Corydon and contracted with Ivy Tech and Indiana University Southeast to provide space for training. Caesars conducted its own training for all riverboat-related positions, including dealers, cashiers, slot representatives and technicians, and surveillance personnel.

In its application, Caesars estimated employment of 2,440 persons in the casino and hotel for annual wages totaling approximately \$53.7 million (Table 7). As of December 2001, Caesars had 2,259 employees, including those in the hotel. For 2001, salaries and wages were \$74.8 million, including tips to dealers (but not to bar and wait staff). Full- and part-time employees receive benefits including medical, dental, vision, life insurance, short-term disability, tuition reimbursement, and matching contributions to a 401k program.

As Table 7 illustrates, in 2001, Caesars had gross gaming receipts of \$214.6 million, which is \$15 million or seven percent less than its application estimate. Though attendance was more than one million greater than expected, Caesars overestimated the receipts per passenger per trip by \$13 per patron. Total local taxes (city and county admission taxes plus local gaming tax) were \$21.5 million, or \$1.3 million more than projected in Caesars' application.

Table 7: Comparison of Forecast to Actual Caesars Operation, Year 3 (2001)

Category	Application Forecast Year 3	Actual 2001	Difference
Employment as of 12/31/01	2,440	2,259	(181)
Total Wages, Tips, & Benefits	\$53,744,000	\$74,783,156	\$21,039,156
Attendance	4,370,000	5,383,147	1,013,147
Gross Gaming Receipts	\$229,556,000	\$214,561,575	(\$14,994,425)
\$ per Patron per Cruise	\$53	\$40	(\$13)
Gaming Tax (State)	\$34,433,400	\$32,232,485	(\$2,200,915)
Gaming Tax (Local)	\$11,477,800	\$10,744,162	(\$733,638)
Admission Tax (State)	\$4,370,000	\$5,383,147	\$1,013,147
Admission Tax (County) <sup>4</sup>	\$8,740,000	\$10,766,294	\$2,026,294

<sup>4</sup>No incorporated city

Tables 8 and 9 compare forecast to actual for Years 1 and 2.

Table 8: Comparison of Forecast to Actual Caesars Operation, Year 2 (2000)

Category	Application Forecast Year 2 (2000)	Actual 2000	Difference
Employment as of 12/31/00	2,440	2,147	(293)
Total wages, tips, & benefits	\$51,677,000	\$63,336,186	\$11,659,186
Attendance	4,284,000	4,553,679	269,679
Gross gaming receipts	\$220,626,000	\$184,404,968	(\$36,221,032)
\$ per patron per cruise	\$52	\$40	(\$12)
Gaming tax (state)	\$33,093,900	\$27,686,617	(\$5,407,283)
Gaming tax (local)	\$11,031,300	\$9,228,872	(\$1,802,428)
Admission tax (state)	\$4,284,000	\$4,553,679	\$269,679
Admission tax (county)	\$8,568,000	\$9,107,358	\$539,358

Table 9: Comparison of Forecast to Actual Caesars Operation, Year 1 (1999)

Category	Application Forecast Year 1 (1999)	Actual 1999	Difference
Employment as of 12/31/99	2,440	2,065	(375)
Total wages, tips, & benefits	\$50,148,000	\$49,565,741	(\$582,259)
Attendance	4,200,000	4,250,267	50,267
Gross gaming receipts	\$210,000,000	\$157,349,624	(\$52,650,376)
\$ per patron per cruise	\$50	\$37	(\$13)
Gaming tax (state)	\$31,500,000	\$23,605,196	(\$7,894,804)
Gaming tax (local)	\$10,500,000	\$7,868,398	(\$2,631,602)
Admission tax (state)	\$4,200,000	\$4,250,267	\$50,267
Admission tax (county)	\$8,400,000	\$8,500,534	\$100,534

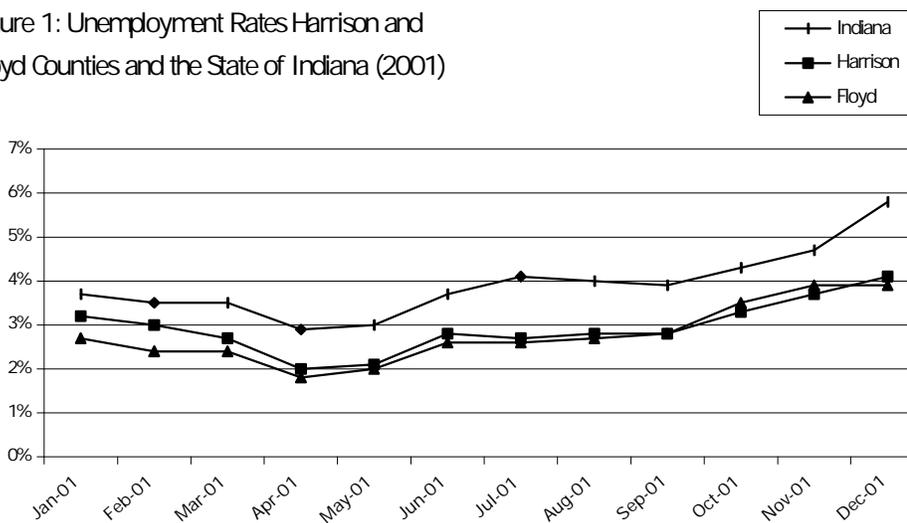
Table 10 compares Year 1, Year 2, and Year 3. As Table 10 illustrates, Caesars increased in every category from Year 2 to Year 3, except for dollars per patron per cruise which stayed the same.

Table 10: Comparison of Year 1, Year 2, and Year 3

Category	Actual 1999	Actual 2000	Actual 2001	Difference
Employment	2,065	2,147	2,259	112
Total wages, tips, & benefits	\$49,565,741	\$63,336,186	\$74,783,156	\$11,446,970
Attendance	4,250,267	4,553,679	5,383,147	829,468
Gross gaming receipts	\$157,349,624	\$184,404,968	\$214,561,575	\$30,156,607
\$ per patron per cruise	\$37	\$40	\$40	\$0
Gaming tax (state)	\$23,605,196	\$27,686,617	\$32,232,485	\$4,545,868
Gaming tax (local)	\$7,868,398	\$9,228,872	\$10,744,162	\$1,515,290
Admission tax (state)	\$4,250,267	\$4,553,679	\$5,383,147	\$829,468
Admission tax (county)	\$8,500,534	\$9,107,358	\$10,766,294	\$1,658,936

As Figure 1 illustrates, both Harrison and Floyd County's unemployment rates were below the state average in 2001. In December 2001, Harrison County had an unemployment rate of 4.1 percent, Floyd County had an unemployment rate of 3.9 percent, and the state average was 5.8 percent.

Figure 1: Unemployment Rates Harrison and Floyd Counties and the State of Indiana (2001)



As of December 2001, 50.2 percent of Caesars employees were women, 12.9 percent were minorities, 18.5 percent were from Harrison County, and 42.3 percent of employees came from outside the local area. (The local area is defined as Clark, Floyd, and Harrison Counties.) In its application, in addition to making an overall commitment to hire women and minorities, Caesars made commitments to hire women and minorities at different levels for different types of positions. As Table 11 illustrates, it has come close to, met, or exceeded almost all of its commitments.

While it did not make a commitment to hire administrative employees, they are included for illustrative purposes.

Table 11: Caesars Indiana Hiring Commitments, December 2001

	Minority			Female		
	Commitment	Actual	Difference	Commitment	Actual	Difference
Managers	5.0%	15.4%	10.4%	20.0%	40.8%	20.8%
Gaming Employees	10.0%	14.4%	4.4%	45.0%	54.1%	9.1%
Hospitality	10.0%	15.5%	5.5%	45.0%	74.3%	29.3%
Custodial Maintenance	10.0%	7.0%	(3.0%)	20.0%	43.0%	23.0%
Service Workers	9.4%	11.3%	1.9%	45.0%	55.0%	10.0%
Administrative	0.0%	10.3%	10.3%	0.0%	38.0%	38.0%
TOTAL	9.4%	12.9%	3.5%	40.2%	50.2%	10.0%

### LOCAL ECONOMIC IMPACT

In addition to the gaming taxes paid to the city and state in 2001, Caesars paid \$988,308 in sales and use taxes and \$1,346,933 in property taxes. Payroll of \$59 million and local purchases in Harrison County of \$7.6 million also contributed to the local economy. A total of \$67.4 million was spent in Indiana. County officials indicated that growth in the number of the county's restaurants and hotels in the Corydon area is not attributable to the riverboat, which is located in a different part of the county.

### IMPACT ON TOURISM

In 2001, Indiana residents made fewer than 30 percent of the trips to Caesars, with most of those trips local. In 2001, Caesars had 5.4 million admissions. This attendance was one million greater than the attendance projection of 4.4 million that Caesars estimated in its application.

According to the Harrison County Convention and Visitors Bureau, hotel occupancy in Harrison County has increased since the boat opened. The Convention and Visitors Bureau partially attributes this to the visitation to the riverboat. Caesars opened its hotel in September 2001 and the occupancy rate has fluctuated from a low of 61 percent in September to a high of 91 percent in November 2001.

### LEGAL ISSUES

Caesars had 15 lawsuits filed against it in 2001. Ten were personal injury claims by patrons, three were personal injury claims by employees, and two were discrimination claims filed by employees. There were a total of 37 arrests for incidents on Caesars property in 2001. The largest categories were public intoxication and disorderly conduct. Less than .00001 percent of visits in 2001 resulted in an arrest. Caesars checked the identification of 78,584 guests and turned away 885 for no identification and 87 for being under age 21. Eight patrons who were under age 21 and tried to gain entry were referred for prosecution.

According to the Harrison County Sheriff's office, the area surrounding the riverboat has not experienced additional criminal activity that can be attributed to Caesars presence.

## **OTHER IMPACTS**

Caesars has made efforts to minimize the negative impacts of gambling. It provides a one-hour training course to all of its employees on how to recognize and refer problem gamblers. This training will help employees identify possible compulsive gamblers among patrons and employees. Caesars is a member of the Kentucky Council on Compulsive Gambling (KCCG) and its managers and executives attend KCCG forums and seminars for additional training. It also has a self-ejection program in which, upon request by a patron, he or she is removed from personal check cashing privileges, credit privileges, direct mail marketing materials, and promotional mail at Caesars. The minimum amount of time this exclusion period can last is six months, and after that time, if the patron wants to be reinstated, he or she must request reinstatement in writing. In 2001, 66 guests requested self-exclusion.

## **SUMMARY OF FINDINGS**

Caesars has met or exceeded the requirements of its Certificate in the following areas:

- Caesars has spent a total of \$426.4 million on the development of the project, almost \$200 million more than estimated.
- Caesars is on schedule with all of its incentive payments.
- Caesars has made monetary and in-kind contributions to many community organizations and sponsored many community events. Its senior management is represented on several local, regional, state, and national boards.
- In 2001, Caesars paid wages of \$74.8 million, \$11.4 million more than projected.
- Caesars has come near, met, or exceeded almost all of its minority and female hiring goals.
- In 2001, Caesars had 5.4 million admissions. This attendance was a million greater than Caesars projected in its application.
- Caesars paid state and local gaming taxes totaling \$59.1 million, almost exactly (\$104,888 higher) the amount projected.
- Caesars paid \$988,308 in sales and use taxes, \$1,346,933 in property taxes, and made local purchases of \$7.6 million in Harrison County.
- Caesars has been proactive in developing programs for compulsive gambling, including providing self-exclusion for 66 guests in 2001.

Caesars has not met its projections in the following areas:

- Employment totaled 2,259 employees, 181 less than projected.
- Gross gaming receipts were \$214.6 million, \$15 million less than the \$229.6 million projected.